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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 31, 2015

CERTIFIED RETURN RECEIPT
7013 3020 0002 3659 5866

David Taylor
Miracle Rock Mining & Research
P.O. Box 76
Emery, UT 84522

Subject: Review of Reclamation Surety, Miracle Rock Mining & Research, Dry Wash Mine, S/015/0096, Emery County, Utah

Dear Sirs:

The last reclamation cost estimate for the Dry Wash mine was done in 2010 and escalated to 2015 dollars. The surety amount needs to be adjusted to account for changes in reclamation costs.

Based on average reclamation costs, the surety amount needs to be increased from \$25,500 to \$28,000 for a three-year escalation (next evaluated in 2018) or to \$28,600 for a five-year escalation (next evaluated in 2020). The average reclamation costs are outlined below:

<i>Small Mine Operation (1-5 acres) Bond Calculation Worksheet</i>			
<i>Dry Wash Mine S/015/0096</i>			
<i>3-year escalation (2018)</i>			
<u>Item</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1st Acre Disturbance	1	\$8,000.00	\$8,000.00
Add'l Acres Disturbance	4	\$5,000.00	\$20,000.00
TOTAL	5 Ac		\$28,000.00
<i>5-year escalation (2020)</i>			
<u>Item</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1st Acre Disturbance	1	\$8,200.00	\$8,200.00
Add'l Acres Disturbance	4	\$5,100.00	\$20,400.00
TOTAL	5 Ac		\$28,600.00

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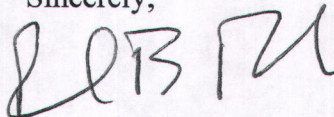
Please contact the minerals bond coordinator, Penny Berry, at 801-538-5291 or by e mail at pennyberry@utah.gov for information about submitting the additional surety. Your current surety is in the form of a certificate of deposit and cash. You may submit additional cash, add funds to the CD, or you may provide a letter of credit or a surety bond for either the increased or full amount of the required surety. Bonding forms are available on the Internet at <http://www.ogm.utah.gov/minerals/MINERALSFORMS.htm>.

As an alternative to increasing the surety amount, the reclamation liability can be decreased by reclaiming a portion of the site and amending the Notice of Intention to Commence Small Mining Operations to show the decreased acreage. If you decide to pursue this option, please contact the lead inspector, Wayne Western, at 801-538-5263. The Division would need to continue to hold adequate surety for the reclaimed area while vegetation is becoming established.

Please provide the additional surety or perform the necessary reclamation no later than October 30, 2015.

Thank you for your help in keeping the surety current. Please contact the permit lead for this mine, Wayne Western, at 801-538-5263 if you have questions concerning this requirement.

Sincerely,

A handwritten signature in black ink, appearing to read "PBB" followed by a stylized flourish.

Paul B. Baker
Mining Program Manager

PBB:mbt:pb
cc: Chris Conrad, BLM
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